



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



MAY 31 2011

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # 1110111**

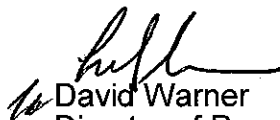
Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (S-1372-395-2) with a Certificate of Conformity to Plains Exploration & Production Company. The ATC authorizes the transfer of location of a steam generator and modifications to lower the current NOx emissions limit from 9 ppmv @ 3% O2 to 7 ppmv @ 3% O2 for compliance with Rule 4320.

Enclosed are copies of the Authority to Construct. The application and proposal were sent to US EPA Region IX on April 25, 2011. No comments were received following the District's preliminary decision on this project.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

Enclosures
rue

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



MAY 31 2011

Mr. Kenneth Bork
Plains Exploration & Production Company
1200 Discovery Drive, Suite 500
Bakersfield, CA 93309

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # 1110111**

Dear Mr. Bork:


The Air Pollution Control Officer has issued an Authority to Construct (S-1372-395-2) with a Certificate of Conformity to Plains Exploration & Production Company. The ATC authorizes the transfer of location of a steam generator and modifications to lower the current NOx emissions limit from 9 ppmv @ 3% O2 to 7 ppmv @ 3% O2 for compliance with Rule 4320.

Enclosed is the Authority to Construct and invoice. The application and proposal were sent to US EPA Region IX on April 25, 2011. No comments were received following the District's preliminary decision on this project.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,


David Warner
Director of Permit Services

Enclosures
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Tel: 661-392-5500 FAX: 661-392-5585



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-395-2

ISSUANCE DATE: 05/26/2011

LEGAL OWNER OR OPERATOR: PLAINS EXPLORATION & PRODUCTION COMPANY

MAILING ADDRESS: ATTN: KENNETH BORK
1200 DISCOVERY DRIVE, SUITE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE 8 **TOWNSHIP:** 30 S **RANGE:** 22 E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NORTH AMERICAN GLE MODEL G ULTRA LOW NOX BURNER, FGR, AND O2 CONTROLLER: TRANSFER LOCATION FROM NE SECTION 19, T30S, R22E TO NE SECTION 8, T30S, R22E AND INCREASE BLOWER SIZE WITH UPGRADE OF O2 CONTROLLER SOFTWARE TO ACHIEVE 7 PPMV NOX @ 3% O2 FOR RULE 4320 COMPLIANCE

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District NSR Rule] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201] Federally Enforceable Through Title V Permit
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102] Federally Enforceable Through Title V Permit
5. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

1372-395-2 : May 26 2011 1:49PM -- EDGEHILL : Joint Inspection NOT Required

6. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
7. Fuel gas sulfur content shall not exceed 1.0 gr S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
8. Emissions from the natural gas-fired unit shall not exceed 0.0076 lb-PM10/MMBtu and 0.003 lb-VOC/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Except during start-up and shutdown periods emissions from the steam generator shall not exceed any of the following limits: 7 ppmvd NOx @ 3% O2 or 0.008 lb-NOx/MMBtu or 30 ppmvd CO @ 3% O2 or 0.022 lb-CO/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
10. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 47.6 lb-NOx/day nor 5,896 lb-NOx/yr and 66.0 lb/day CO nor 16,381 lb/yr. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
11. During start-up and shutdown periods emissions from the steam generator shall not exceed either of the following limits: 0.1 lb-NOx/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
13. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
14. During an initial shakedown period not to exceed 60 calendar days from initial operation of the equipment authorized by this ATC, NOx emissions shall not exceed 15 ppmvd @ 3% O2 or 0.018 lb/MMBtu. The shakedown period shall be concluded upon completion of the initial start-up compliance source test, and shall not exceed 60 days. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
15. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District Rules 2201, 4305, 4306, 4320 and 40 CFR 60 Subpart Dc Section 60.48c (g)] Federally Enforceable Through Title V Permit
16. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
17. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
18. Source testing to measure NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
19. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
21. NOx emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. Stack gas oxygen (O2) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
26. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 3246, D 4084, D 4468, D 6667 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 1070, 2201, and 2520] Federally Enforceable Through Title V Permit
27. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 1070, 2201, and 2520] Federally Enforceable Through Title V Permit
28. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 1070, 2201, and 2520] Federally Enforceable Through Title V Permit
29. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

32. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Permittee shall record monthly fuel consumption. [District Rules 4001 and 40 CFR 60.48c(g)] Federally Enforceable Through Title V Permit
34. Copies of all gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted, fuel sources, and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 1070, 2201, and 2520] Federally Enforceable Through Title V Permit
35. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
36. ATC shall be implemented concurrently with ATC S-1372-395-0. [District Rule 2201] Federally Enforceable Through Title V Permit



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

Due Date

7/25/2011

Amount Due

\$ 2,755.90

Amount Enclosed

ATCFEE S1110111
1372 S94783 5/26/2011

RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO:

PLAINS EXPLORATION & PRODUCTION COMPANY
ATTN: KENNETH BORK
1200 DISCOVERY DRIVE, SUITE 500
BAKERSFIELD, CA 93309

SJVAPCD
34946 Flyover Court
Bakersfield, CA 93308

Thank You!



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

SJVAPCD Tax ID: 77-0262563

PLAINS EXPLORATION & PRODUCTION COMPANY
HEAVY OIL WESTERN STATIONARY SOURCE
CA

Facility ID

S1372

Invoice Date

5/26/2011

Invoice Number

S94783

Invoice Type

Project: S1110111

PROJECT NUMBER: 1110111

APPLICATION FILING FEES	\$ 71.00
ENGINEERING TIME FEES	\$ 2,755.90
TOTAL FEES	\$ 2,826.90
LESS PREVIOUSLY PAID PROJECT FEES APPLIED TO THIS INVOICE	(\$ 71.00)
PROJECT FEES DUE (Enclosed is a detailed statement outlining the fees for each item.)	\$ 2,755.90

Late Payment (see Rule 3010, Section 11.0 Late Fees)

Postmarked

After 7/25/2011 through 8/4/2011

After 8/4/2011

After 8/24/2011

Total Due

\$ 3,031.49

\$ 4,133.85

Permits To Operate MAY BE SUSPENDED

San Joaquin Valley Air Pollution Control District
34946 Flyover Court, Bakersfield, CA 93308, (661) 392-5500, Fax (661) 392-5585

Invoice Detail

Facility ID: S1372

PLAINS EXPLORATION & PRODUCTION COMPANY
 HEAVY OIL WESTERN STATIONARY SOURCE
 CA

Invoice Nbr: S94783
 Invoice Date: 5/26/2011
 Page: 1

Application Filing Fees

Project Nbr	Permit Number	Description	Application Fee
S1110111	S-1372-395-2	MODIFICATION OF 85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH NORTH AMERICAN GLE MODEL G ULTRA LOW NOX BURNER, FGR, AND O2 CONTROLLER:TRANSFER LOCATION FROM NE SECTION 19, T30S, R22E TO NE SECTION 8, T30S, R22E AND INCREASE BLOWER SIZE WITH UPGRADE OF O2 CONTROLLER SOFTWARE TO ACHIEVE 7 PPMV NOX @ 3% O2 FOR RULE 4320 COMPLIANCE	\$ 71.00
Total Application Filing Fees:			\$ 71.00

Engineering Time Fees

Project Nbr	Quantity	Rate	Description	Fee
S1110111	12.7 hours	\$ 147.00 /h	After-Hours Engineering Time(OverTime)	\$ 1,866.90
			Less Credit For Application Filing Fees	(\$ 71.00)
			After-Hours Engineering Time(OverTime) SubTotal	\$ 1,795.90
S1110111	9.6 hours	\$ 100.00 /h	Standard Engineering Time	\$ 960.00
Total Engineering Time Fees:				\$ 2,755.90